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C O N F I D E N T I A L SECTION 01 OF 03 KUALA LUMPUR 000866

SIPDIS

FOR EAP/MTS AND INR

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TAGS: [PGOV](#) [PREL](#) [PINR](#) [KDEM](#) [MY](#)

SUBJECT: POLITICKING GEARS DOWN FOR MUSLIM HOLIDAYS

REF: A. KUALA LUMPUR 858

[B](#). KUALA LUMPUR 847

[C](#). KUALA LUMPUR 833

[D](#). KUALA LUMPUR 821

Classified By: Political Counselor Mark D. Clark for reasons 1.4 b and d.

Summary and Comment

[1](#). (C) The United Malay National Organization (UMNO) Supreme Council's decision on September 26 to postpone the party's election to March 2009 (ref A), and the widely-rumored understanding that Prime Minister Abdullah Badawi would not seek reelection, have generated some reactions within the ruling party even as public politicking gears down for the Muslim holiday season. Three UMNO divisions unofficially endorsed Deputy Prime Minister Najib and UMNO Vice President Muhyiddin for the top party spots next year, somewhat preempting PM Abdullah's announcement whether or not he will stand of reelection. The three-month postponement of the party elections attracted criticism from several party leaders and divisions. Veteran UMNO leader Tengku Razaleigh reaffirmed his candidacy for the UMNO presidency, while behind the scenes his camp kept options open by meeting all sides, including the Opposition. A senior official in Anwar Ibrahim's People's Justice Party (PKR) described the latest UMNO deal as bad news for the Opposition, which would be more threatened by a consolidated UMNO led by Najib. The PKR official also cast doubts on Opposition prospects.

[2](#). (SBU) Comment: Due to the end of Ramadan and the Muslim holiday season beginning October 1, we expect the political scene to remain relatively quiet until next week. The first half of October, however, promises a return to intense politicking by all sides. End Summary and Comment.

UMNO Supreme Council Decision Criticized from Within

[3](#). (SBU) The United Malay National Organization (UMNO) Supreme Council's decision on September 26 to postpone the party's convention and election (reftel) to March 2009, and the widely-rumored understanding that Prime Minister Abdullah Badawi would not seek reelection, have generated some reactions within the ruling party even as UMNO politicking faded in intensity as Malaysia approached Muslim holiday season. Although PM Abdullah has given himself until October 9 to announce whether he intends to run for reelection as UMNO President, three UMNO divisions decided not to wait for Abdullah's decision and unofficially proclaimed they would

nominate Deputy Prime Minister Najib and UMNO party Vice President Muhyiddin Yassin for top two UMNO posts. Local political commentators expected some additional UMNO divisions to follow suit and declare their preference for Najib and Muhyiddin before the start of the divisional meetings on October 9, representing a pre-emptive move by these two leaders according to several Embassy contacts.

¶4. (SBU) The three-month postponement of the party elections attracted criticism from several UMNO party leaders and divisions. Aspirants for senior party offices reportedly grumbled behind the scenes at the added cost of maintaining delegates' support over an additional three months. The son of former Prime Minister Mahathir Mohammad, Mukhriz Mahathir, who is seeking election to head the Youth wing, criticized the Council for reversing its earlier decision to hold the polls in December. At a dinner hosted by Mukhriz for the media on September 28, Mukhriz not only criticized the postponement but urged UMNO divisions not to nominate Abdullah if the "flip flop PM" decided to contest the UMNO President's post. He urged party divisional leaders to "do the right thing" and prevent Abdullah from getting the minimum 58 nominations (from out of the 191 UMNO divisions) to contest the President's post. Mukhriz's main rival for the important UMNO Youth chief position, Abdullah's son-in-law Khairy Jamaluddin, also took issue with the postponement, arguing that the decision could complicate the campaigns of those standing in the election, and lead to the party being "obsessed with politicking for the whole of six months." Leaders of one UMNO division announced they would pass a resolution to urge the party to proceed with elections

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in December as originally planned.

Tengku Razaleigh: Keeping his Options Open

¶5. (SBU) Veteran UMNO leader Tengku Razaleigh continued to protest the postponement of party elections to March 2009 and called on UMNO members to reject this proposal during the UMNO divisional meetings. At a press conference on September 27 officially announcing his candidacy for the UMNO President's post, Razaleigh reiterated that the transition plan of PM Abdullah and DPM Najib was "extra-constitutional", akin to &passing property8 from one to another, was "undemocratic" and had made Malaysia an "international laughing stock." He opined that the "arrangement" was not in the interest of members but "safeguards the interests of certain leaders." Razaleigh instead stressed that the party's office bearers should be decided by party members according to party rules.

¶6. (C) Razaleigh's senior aide, John Pang, told Polchief on September 29 that Razaleigh still hoped to obtain the 58 nominations (out of 191 divisions) required to contest the election. Pang admitted, however, that powerful party interests were pressuring divisions otherwise inclined to support Razaleigh, even in his home state of Kelantan. Pang thought that Razaleigh's prospects for contesting the UMNO presidency could be clear in the coming few weeks, even before official decisions by the divisions. In the meantime, Razaleigh would keep "all options open." Pang revealed that Razaleigh has had two meetings so far with People Justice Party (PKR) leader Anwar Ibrahim, and that since September 26, Razaleigh and his aides (Pang included) have met with Opposition representatives as well as PM Abdullah's close advisors. Razaleigh's current advantage is "positional," Pang contended, as Razaleigh's royal Malay background and strong reputation put him at the center of various political outcomes.

UMNO Decision Bad News for Anwar

¶7. (C) Polchief and POL FSN met on September 27 with PKR

Secretary General Salehuddin Hashim, who confirmed the party had several inconclusive meetings with Razaleigh. The Secretary General described the UMNO Supreme Council decision last Friday as "bad news" for Anwar Ibrahim and the PKR. He stated candidly that the initial agreement for Abdullah to hand over power to Najib in June 2010 would have eventually "imploded" UMNO, and the prospect of a quicker transition to Najib posed greater risks. Once Abdullah announces he will not contest for the party presidency, more power would shift to Najib. Salehuddin contended that Najib, like Mahathir, would have "no qualms or reservation" to use the Internal Security Act (ISA) to detain opposition leaders if there is a serious threat to continued UMNO rule. He believed Najib also would use the judiciary against Anwar by revoking his bail in the ongoing sodomy case to keep "the opposition leader out of circulation."

18. (C) While acknowledging that Anwar and the Opposition were under pressure to make a move before UMNO consolidated itself under Najib's leadership, Salehuddin implied that the Opposition coalition was not strongly positioned to topple the BN government, nor well prepared to run the national government if it did come to power. In terms of crossovers, the Opposition "is still negotiating with Members of Parliament," and the negotiations with individuals have become more complicated over time as larger group and party considerations come into play. For example, the Chinese-led Democratic Action Party (DAP) objected to admitting the competing Chinese-dominated Gerakan party into the Opposition fold.

19. (C) After some questioning, Salehuddin noted Anwar likely would introduce a motion of no-confidence against PM Abdullah when Parliament reconvenes on October 13, which requiring two-weeks notice and implying a vote at the end of October. Salehuddin, however, was less than sanguine about the outcome of a no-confidence vote. He also suggested that the Opposition parties, struggling now to run five state administrations, did not have the experienced cadres necessary to form an effective national government.

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Salehuddin also noted that Anwar continues to have difficulties in attracting sufficient ethnic Malay support. Despite a level of sympathy for Anwar, the majority of Malays still appear supportive of UMNO leading the nation, Salehuddin stated.

#### Important Dates on the Horizon

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110. (C) The first half of October will feature four dates of importance. On October 7, the Sessions Court will decide whether Anwar's sodomy trial will be shifted to the High Court, seen as more supportive of the prosecution, or will remain at the Sessions Court in defiance of an order by the Attorney General. By October 9, PM Abdullah will announce his decision whether to contest for the UMNO presidency. Few now expect Abdullah to seek reelection; a decision by Abdullah to persist in the race would cause great turmoil in UMNO. October 9 the 191 UMNO divisions will begin their month long process of nominating their choices for the UMNO President, Deputy President, three vice Presidents and 25 Supreme Council members, and their delegates (13 each) to the party polls. On October 13, Parliament will reconvene, with Opposition leader Anwar Ibrahim widely expected to challenge PM Abdullah's government with some form of no confidence measure.  
KEITH